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Improving Procurement Through Process Redesign

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Daniel J. Drake

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Logistics Management Institute
6400 Goldsboro Road
Bethesda, Maryland 20817-5886

02 3 05 041

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CHAPTER 1

INTRODUCTION

In a previous study¹ concerning the impact of paperless procurement processes on DoD's procurement work force, regulations, organizations, and markets, the Logistics Management Institute (LMI) suggested how DoD procurement processes might benefit from using modern information technologies. Examples such as electronic networks, workstations, and data bases can improve information access, timeliness, and quality in support of procurement decision making. That study led us to realize that before a procurement process is automated, it must be redesigned to eliminate work elements and procedures inherited from the paper-bound, manual methods, and to eliminate any non-value-added tasks.²

The traditional procurement process contains six sequential steps – requirement receipt/validation, procurement planning, solicitation preparation and issuance, offer receipt and evaluation, contract award, and contract administration and payment – each containing multiple tasks and subtasks. Figure 1-1 depicts the sequential process flow that relies on paper forms and files to document work and transport information to the next step in the process.

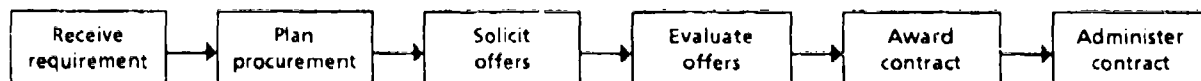


FIG. 1-1. SEQUENTIAL PROCUREMENT PROCESS

An example of work process redesign is to use information technology to better match required supply items data (e.g., descriptions, quantities, and delivery dates) with available product data (e.g., descriptions, quantities, prices, and availability dates), thereby expediting order formation and placement. Initially, we felt that this approach would help buyers locate automated information about available products

¹LMI Report PL022R1. *Paperless Procurement: The Impact of Advanced Automation*. Daniel J. Drake, Gerald T. Kelley, and Robert Crosslin. September 1992.

²Michael Hammer. "Reengineering Work: Don't Automate, Obliterate." *Harvard Business Review*. July – August 1990, pp. 104 – 112.

and the associated contract arrangements (e.g., multiple award schedule, indefinite delivery or quantity contract, and blanket purchase agreement). Later, we realized that the buyer achieves little by matching requirements to products or by matching requirers (i.e., organizations requiring supplies) to suppliers. The work processes would be made more productive if information provided by the seller is made available directly to the requirer so that a requirement-product match can be made when the requirement is defined. This process change would expedite the information match and lead to immediate order placement (assuming that the requirer has authority to order the supply item, funds are available, and a pre-positioned, competitively established, contractual vehicle is available); it would also improve the information's quality because the requirer's item description and the supplier's product description are directly linked.

This study identifies alternative ways of performing required contract-oriented tasks, processing necessary information, and if necessary, revising traditional procurement processes to obtain better results with fewer resources.

METHODOLOGY

In order to generate procurement process change ideas for the planned redesign of the Air Force's Base Contracting Automated System, a series of process reengineering sessions were held with Air Force base-level procurement experts and a group of facilitators. Those sessions used the Air Force's Operational Contracting Manpower Model to identify individual tasks that either added no, or little value, could benefit from automation, or both. The identification of manpower savings flowing from any process improvements is crucial to the development of a business argument supporting a modernized, base-level procurement system.

Some of the ideas produced from the procurement process improvement sessions are presented in this study as a means of describing, in functional terms, the new processes through which base-level procurement can be more effectively accomplished. These ideas are a starting point to initiate economic analysis and to develop functional specifications.

ASSUMPTIONS

The process improvements that we recommend require that a certain level of procurement automation, electronic networks, and data repositories be available. At

a minimum, buyers and buying offices must possess an automated procurement system electronically linked to both internal and external customers. By customers, we mean the internal people working in DoD who require buying support and external vendors who receive solicitations, orders, and awards. All involved individuals must have a computer display screen and have keyboard access to each other and to the electronic files produced through the automated processes. Thus, we assume that work will be performed at a computer workstation by the DoD individual with the knowledge to make procurement decisions. This approach relies on electronic means to move information.

We assume that procurement information processing will be regionalized, with each buying office tied to a regional computer processing center via electronic networks. Local offices will possess micro- or minicomputers so the resulting system will have a multi-tier architecture that will permit local processing to continue when the regional center is unavailable.

RECOMMENDATIONS

We recommend that the following seven actions be taken to upgrade the DoD procurement process:

- Streamline solicitation mailing list registration.
- Establish an electronic catalog procurement network.
- Establish electronic contract files.
- Establish simultaneous procurement reviews.
- Automate buyer access to pre-award information.
- Make procurement action reports a byproduct of the procurement process.
- Automate access to procurement information releasable to the public.

Other improvements are possible. This study is a starting point for other ideas. This report deals with each of these seven actions. For each, we describe the current process, our (proposed) redesigned new process, and the benefit contemplated by the new process.

CHAPTER 2

STREAMLINE SOLICITATION MAILING LIST REGISTRATION

The process improvement of streamlining solicitation mailing list registration eliminates manual processing of paper registrations and centralizes mailing list processing and storage at regional offices. Companies interested in doing business with the Government will no longer be required to register with dozens if not hundreds of buying offices – a change offering great savings to contractors and benefits to the Government. Those buying offices will no longer have to maintain their own separate bidders mailing lists.

CURRENT PROCESS

Firms interested in obtaining Government contracts must contact each Government contracting office to register their interest in solicitations for specific products or services. No Military Service, agency, or private regional/national clearinghouses has this information.

The DoD contracting office responds to the prospective contractor request for information by mailing a Standard Form (SF) 129, *Solicitation Mailing List Application*, to the prospective contractor who completes the form, which among other things indicates the product/services the contractor is prepared to provide. The contractor then returns the application for processing. The contracting office receives the SF 129, analyzes the data, and assigns a "local vendor number." Some contract offices mail the prospective contractor a Defense Department (DD) Form 2051, *Request for Assignment of a Commercial and Government Entity (CAGE) Code*, to be able to request a DoD-wide identification code from the Defense Logistics Service Center, Battle Creek, Michigan. Once the local or DoD code is obtained by the contractor, data about the firm is entered into an automated solicitation mailing list data base. The solicitation mailing list is used to select the firms interested in receiving solicitations for specific products or services.

FUTURE PROCESS

Under the proposed process, a regional DoD computer center will hold the automated solicitation mailing list for its national region. Local buying offices will access that list for information on prospective contractors but they will not be responsible for maintaining the list. That function will be performed at the regional level, but most tasks will be automated.

Prospective contractors will be given a choice of how they register because the system is designed to receive input through a variety of methods. Sophisticated companies could access the regional system's automated "registration module" via their microcomputer [(i.e., personal computer (PC)) equipped with a modem. Companies without access to a PC and modem can use a touch-tone telephone to access a toll-free 1-800 telephone number connected to a voice mail operator who will either guide the registrant through the steps using the a touch-tone keypad or request that the caller leave a voice recording, which will require manual data entry by a contract office worker at a later time. Companies not comfortable with either of these steps could register by visiting a local small business development center, procurement technical assistance program office, and perhaps even by walking into the small business specialist's office at a local DoD contracting office. These "walk-in" registrants will be asked questions while the small business specialist accesses the regional system's automated registration module via a PC and modem. This concept of flexible input methods tied to a regional system is illustrated in Figure 2-1.

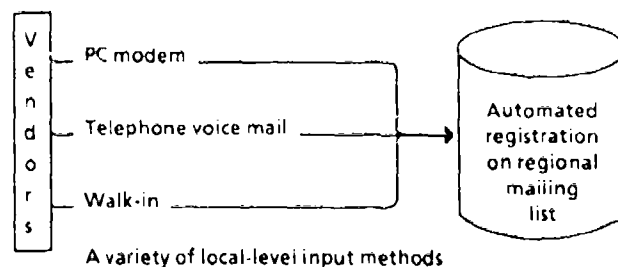


FIG. 2-1. SOLICITATION MAILING LIST REGISTRATION AT REGIONAL COMPUTER CENTER

Automated registration will include questions on whether the prospective vendor has previously been assigned a CAGE code. If no code is assigned, the

regional system will transmit an electronic DD Form 2051 to the Defense Logistics Service Center for CAGE code research and assignment.

BENEFITS OF FUTURE PROCESS

The establishment of an automated regional solicitation mailing list eliminates the need for the Government to maintain duplicate lists at every local-level buying office and the need for prospective vendors to register on multiple lists. A reduction in clerical workload will be achieved for all parties.

More importantly, the increased number of registrants across the region who previously were registered only at their local buying office will increase the number of prospective offerors and thereby increase solicitation competition. Additionally, there will be a considerable improvement in the accuracy of solicitation mailing data. The need for manual data collection and input is shifted away from local-level DoD procurement clerks (who extract data from the prospective contractor's application form) and directly to the prospective contractor who will now be the direct entry source of registration information for the mailing list.

CHAPTER 3

ESTABLISH ELECTRONIC CATALOG PROCUREMENT NETWORK

An electronic catalog procurement network would give base supply and procurement customers on-line access to an electronic catalog of pre-priced items that can be electronically ordered directly from prearranged contracts. This streamlined ordering process will match customer requirements to products available in the marketplace through pre-identification of a DoD activity's commodity requirements; the establishment of an electronic, on-line catalog of descriptions, known sources, available contracts with ordering provisions, and ordering procedures for each product; and the placement of electronic orders directly from the electronic catalog's menu screen to the vendor.

CURRENT PROCESS

DoD base activities that require supplies submit material requests or supply requisitions to the base supply office. At the base supply office, a supply analyst attempts to locate a suitable item in the Federal Supply Catalog or from the base's supply inventory. If item descriptions or part numbers match what is available through supply channels, the item is requisitioned from the supply system. When the item (or a substitute item) cannot be located, a purchase request is forwarded to the base procurement office where a buyer attempts to locate sources and, depending on the product's dollar value, solicit potential vendors.

This item/source locating process requires completion of the following six steps as illustrated in Figure 3-1: (1) requirement identification, (2) supply analysis, (3) purchase request (PR) submission, (4) PR receipt and analysis, (5) source identification, and (6) price solicitation.

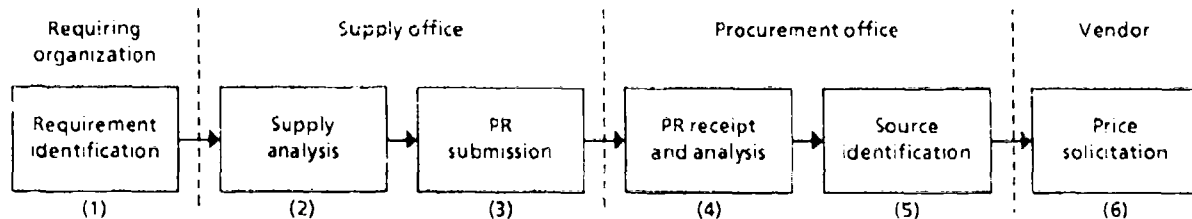


FIG. 3-1. MATCHING ITEM TO SOURCE PROCESS

FUTURE PROCESS

Under the proposed process, supply acquisition will be streamlined by (1) developing a "master list" of items required to support equipment and facilities on the base; (2) analyzing those items and organizing the high-demand items into commodity groups; (3) soliciting long-term "requirements" contracts for the high-demand items; (4) establishing electronic ordering provisions as clauses in the resulting contracts; (5) building on-line electronic catalogs that give item, price, source, and contract information; and (6) providing requirers, supply analysts, and buyers with on-line access to the electronic catalog so they can place orders directly with the vendor.

The development of master item lists is not a new idea. Base supply and procurement offices have records on previous acquisitions along with the product's description, source, and price. However, under the proposed approach, a new concept is that supply analysts and buyers will not wait for requirements to occur; instead they will forecast all possible requirements *before* they occur. Ideally, a new hybrid job position -- a material manager -- will work with facility engineers, maintenance technicians, office equipment custodians, and laboratory personnel to identify all equipment and systems (controlled by each organization) that could possibly meet their supply requirements. Manufacturers' and distributors' parts catalogs, maintenance item lists, and illustrated parts breakdowns will be analyzed to identify potential items.

The resulting master item list will be analyzed to identify those items with enough high-demand potential to include them in a "market basket" of similar items (e.g., office supplies that when competitively acquired, generate significant price discounts through economies of scale). The result would be negotiation of a long-term requirements contract with one vendor who can offer low prices for large procurements (when compared with single item unit purchases) and can permit direct electronic ordering of items.

Currently, the China Lake Naval Air Warfare Center uses competitively established requirements contracts, on-line electronic catalogs, and electronic ordering to achieve deliveries within 24 hours from order issuance, 40 percent discounts from retail prices, and reductions in supply warehousing requirements. Other base procurement offices can achieve similar results. However, base-level

buying offices will have difficulty independently managing such a process. They simply do not have the resources required to research and analyze the customer requirements and demand data in developing the market baskets for solicitation. It took 9 months for China Lake to establish its initial competitively placed requirements contract that uses electronic catalogs and ordering. Also, buyers at individual buying offices will duplicate each others work in developing their product market baskets. A better approach would build on the China Lake project by creating a regional electronic network of base support requirements contracts. Each base would manage a market basket for a commodity group (e.g., plumbing supplies) and share the resulting electronic catalog with the other base procurement offices participating on the regional electronic network. Figure 3-2 illustrates this concept, which we will call the Electronic Catalog Procurement Network. The network uses *centralized* or regional resources to research items, prepare solicitations, and award contracts to build the electronic catalogs, but it provides for *decentralized* local access and ordering. Local activities would provide their item demand history to the central buying activity for analysis to determine potential market baskets of products. These market baskets would be solicited as long-term (up to 3 years) requirement contracts that permit electronic ordering, invoicing, and payment.

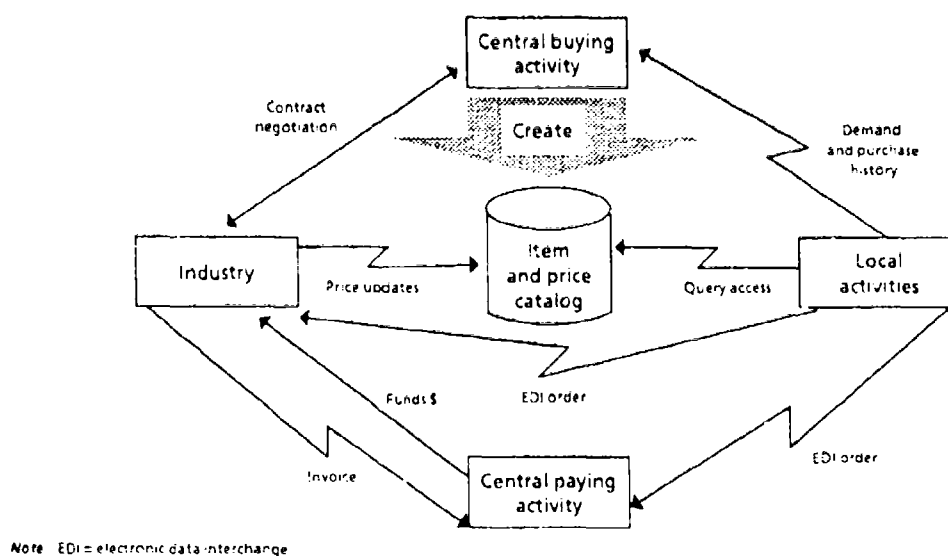


FIG. 3-2. ELECTRONIC CATALOG PROCUREMENT NETWORK

Several enhancements to the Electronic Catalog Procurement Network are possible. One idea is to add to the catalog item descriptions and prices for all multiple

award schedules established by Federal departments and agencies so other agencies can identify available items, prices, and ordering terms. Another approach is to permit suppliers to electronically update their prices based on some prearranged mechanism (e.g., downward only price adjustment, economic price adjustment clause) so the catalog prices are always current. Also, the Electronic Catalog Procurement Network could list recurring demand open market items and recurring demand nonmandatory items that vendors could periodically update with their latest prices, thereby creating an electronic brokerage where items required are matched to available items at market prices.

BENEFITS OF FUTURE PROCESS

Establishing and maintaining a regional electronic catalog network will permit centralized management of the master item file by specialized buyers with specific knowledge of their commodities and suppliers. This approach will allow for better quality information about suppliers, prices, substitute items, etc. The various base requirers (i.e., customers of the base's procurement office) will then be able to match their requirements directly with marketplace offerings.

To quantify the benefits discussed above, we looked at China Lake's experience, where the cost of processing a material request (\$154 per action) and a purchase order (\$500 per action) dropped from \$654 under the previous automated, but paper, method to \$80 with the current paperless electronic catalog ordering method. In FY92, China Lake processed 15,427 electronic purchase orders for a cost avoidance of nearly \$8.9 million. Additionally, China Lake experienced savings through reductions in the prices paid for its supply procurements. A conservative estimate is that China Lake saved 10 percent or \$350,000 on the value supply items bought through the electronic catalog and ordering process in FY92. That savings resulted from the lower unit prices offered when a large number and quantity of items are solicited under long-term requirements contracts versus the relatively high unit prices quoted when small quantity request for quotations (RFQs) are solicited. Small-dollar solicitations (those valued less than \$25,000) are not subject to full and open competition. Procurements valued at \$2,500 or less can be made without competition.¹

¹See Federal Acquisition Regulation 13.106.

CHAPTER 4

ESTABLISH ELECTRONIC CONTRACT FILES

The process improvement of establishing electronic contract files eliminates the labor-intensive maintenance and retrieval of paper procurement files by establishing paperless, electronic files as a byproduct of the procurement process. The associated benefits are less clerical labor required, fewer lost files, and less need for multiple copies of procurement documents maintained at other offices across an installation.

CURRENT PROCESS

When the PR is assigned to the buyer, it becomes the first section entry in the procurement file developed for the ultimate procurement document for that PR. Procurement files are well-structured – with almost every conceivable document assigned a specific section in the file (in accordance with the contract file content checklist). At every step in the procurement process, additional paper memoranda, correspondence, forms, and documents are added to the appropriate section of the procurement file. This results in large paper files that must be maintained by buyers and clerks at great labor expense. The storage of these files also requires considerable physical resources (e.g., file cabinets and floor space).

FUTURE PROCESS

With the availability of advanced information technologies, automated procurement systems can now write information to some type of electronic or optical mass-media device. Under the proposed process, when the PR is received electronically from the requiring office, it will be "filed" in the appropriate place in a central electronic "file folder." When subsequent documents are prepared (e.g., the procurement plan) in a word processing system, that document is also stored electronically and is "tagged" with the appropriate file folder label. All information (available electronically) can be organized, stored, and retrieved in the central electronic file. Paper documents can be optically scanned, electronically stored, and then discarded.

The automated procurement system will be preprogrammed to tag every electronic document with its appropriate identification number and its creation/update date. In other words, the system will recognize the type of document, say, the RFQ for the subject contract action, and will file it appropriately. The buyer will merely select a desired processing action from a menu on the PC's screen display and enter the required data when prompted to do so. As illustrated in Figure 4-1, the buyer controls updates to the electronic file folder as the contract action progresses. A document requiring action will move automatically to the PC workstation of the person next responsible for handling that contract document. Unlike paper files, electronic files can be moved from one "out basket" to the next "in basket(s)" in a matter of seconds.

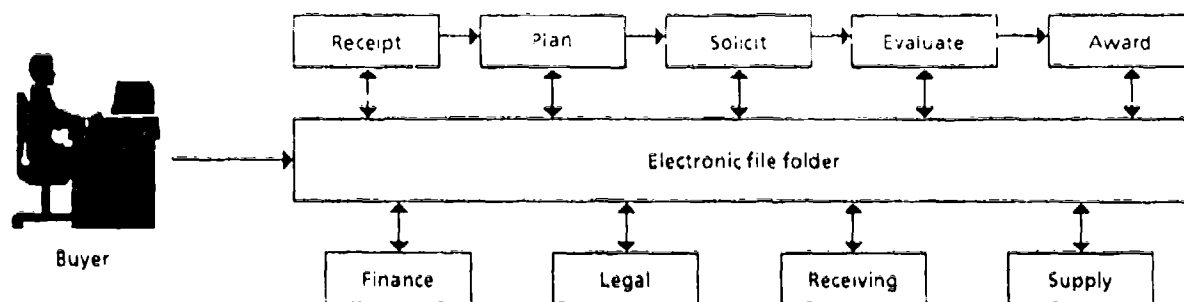


FIG. 4-1. ELECTRONIC PROCUREMENT FILES

BENEFITS OF FUTURE PROCESS

The most apparent benefit of the proposed process is the realization of lower clerical costs; however, the real payoff is in the ability of the automated system to find all of the documentation that previously may have been misplaced or delayed at someone's desk, in transit to another desk, or simply lost. Also, the wasted time of physically transporting documentation from one step in the contract action process to the next step will be eliminated. Electronic movement of files will be particularly advantageous when files must be moved between desks that are geographically separated.

With only one central set of electronic procurement files that is constantly being updated and is accessible to all individuals on an electronic network, simultaneous review and coordination can be accomplished. Also, the use of one set of procurement files (as opposed to dual sets now used for the buyer's copy and the official copy) will

eliminate inconsistent data. This benefit will be even greater if the electronic file folder concept can be extended to all organizational functions that need access to procurement information. For example, if the accounting and finance offices need to reconcile disbursements against a contract's accounting citations and supply line item, they would access the electronic procurement document via the local area network. This will reduce any errors caused by separate offices looking at different, and many times incomplete, copies of the procurement file. With the electronic file folder, all the contract modifications will be present and current instead of the current situation where the accounting and finance offices do not have several of the contract modifications because they are in transit, lost, never sent, or misfiled.

A benefit of an automated procurement system is to gather the necessary data, complete a required process, and present the result to the buyer in an electronic file. For example, as contractors electronically submit their bids or quotes through EDI transactions, the automated system could complete the bid abstract and present the price calculations with the apparent low offeror identified. All this information would be automatically in the electronic file folder as a byproduct of the automated procurement system.

CHAPTER 5

ESTABLISH SIMULTANEOUS PROCUREMENT REVIEWS

The process improvement of refining procurement reviews streamlines coordination and review by using electronic networks to simultaneously send a proposed contract document to several individuals for their action. This proposed process also will eliminate the number of repetitive reviews since the automated procurement system can be programmed to require standard outcomes (PR funding data automatically being sent to the appropriate section of the purchase order file) for specific types of procurement actions. Procurement actions with document files contrary to programmed policy will be processing exceptions requiring management review.

CURRENT PROCESS

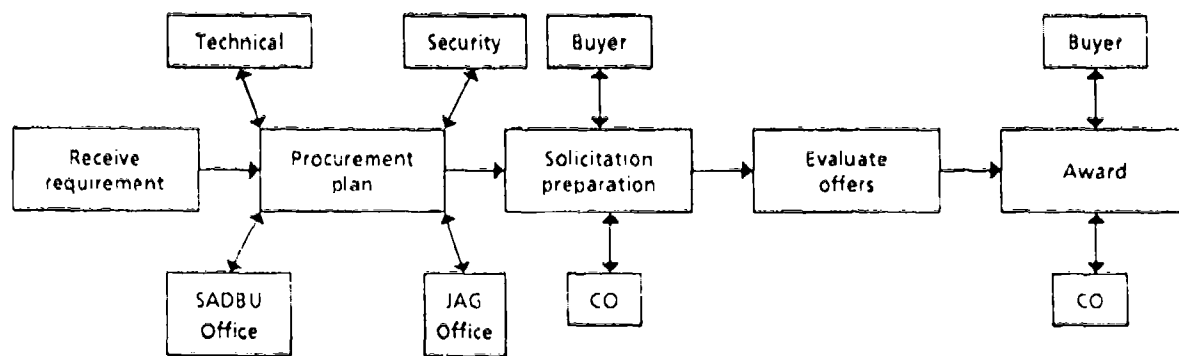
Procurement relies on paper forms and files to document the decisions and actions made by the buyer and contracting officer. These actions are reviewed by superiors depending on the dollar value of the procurement. Assuming a sequential "coordination" procurement process and movement of paper documents and files, multi-tier reviews slow the procurement process. For higher dollar procurements where approval of the procurement action must come from an authority higher than the contracting officer, reviews are repeated by each staff level as the procurement document and file progresses toward final approval.

Also, as a procurement file is prepared, various documents and decisions are coordinated with functional experts. For example, a procurement plan could be coordinated with small business, legal, and security experts.

FUTURE PROCESS

In a highly automated procurement system, the policy requirements for each type of procurement action can be predetermined and programmed into the system. Under the proposed process, coordination requirements no longer need to be conducted in a sequential manner but instead can be conducted simultaneously by providing all responsible parties an electronic copy of the document and file

simultaneously. As illustrated in Figure 5-1, review of a proposed procurement plan can be achieved by transmitting that plan in electronic form to all the reviewing offices at once. Only those offices that need to review a specific type of procurement action will be programmed to receive the document. This feature can be programmed into the system so reviewers are precisely selected based on the commodity, classification, packaging, dollar value, etc., of the procurement.



Note: SADBU = Small and Disadvantaged Business Utilization; JAG = Judge Advocate General; CO = contracting officer.

FIG. 5-1. SIMULTANEOUS TRANSMISSION OF PROCUREMENT DOCUMENTS

BENEFITS OF FUTURE PROCESS

Using electronic networks to improve dissemination and coordination of procurement documents and files will expedite the flow of procurement actions and shorten required administrative lead time. Also, the elimination of unnecessary reviews will reduce a portion of the labor costs of procurement analysts and managers. Overall, there should be a reduction in clerical labor costs associated with moving paper documents from desk to desk because paper documents and files are no longer being handled.

CHAPTER 6

AUTOMATE BUYER ACCESS TO PRE-AWARD INFORMATION

The process improvement of automating the buyer's access to pre-award information brings required information to the buyer faster. Instead of relying on paper correspondence and telephone calls, the buyer will be automatically presented with pertinent information by the procurement system.

CURRENT PROCESS

Depending on the type and value of a procurement action and the buying office's knowledge of, and experience with, the prospective contractor, the buyer must request information from external sources. For example, if the procurement is for a service, the buyer must obtain a Department of Labor (DOL) wage rate determination for the proposal's job categories at the place of performance. This information is currently obtained by requesting wage rates from the DOL by submitting an SF 98, *Wage Rate Determination Form*. Similar information requests are required for a variety of items: Requests for pre-award surveys are obtained by sending an SF 1403, *Pre-Award Survey*, to the cognizant Defense Contract Management Command (DCMC) district office; requests for equal employment opportunity compliance checks are obtained by sending a letter request to the appropriate DOL regional office; requests for potential Section 8(a) small business sources are obtained by requesting source information from the Small Business Administration (SBA); and a prospective contractor's award status is verified by consulting a current copy of the *Parties Excluded from Procurement Programs*, published by the General Services Administration. Slow Government responses to these requests delay contract award.

FUTURE PROCESS

We know that much of the information the buyer needs in order to process a procurement action is stored in automated data bases. If the buyer's request for information is automated and routed to the appropriate office and/or data base, we will significantly expedite procurement awards. Under the proposed process, information about potential suppliers, product descriptions, price histories, and

contractor status (i.e., suspension, debarment, pre-award survey results, past performance, equal employment opportunity compliance, approved rates and factors, and audit results) will be obtained through electronic networks accessing automated data bases of information. The "owners" of the data base information would periodically update their data bases while remote buying offices would be given query access to those data bases. Regional offices of the DOL or district offices of DCMC could maintain the required information within their own data bases. Electronic access through intelligent gateway networks to the data bases will be designed into automated procurement system software. Figure 6-1 depicts such an intelligent gateway network.

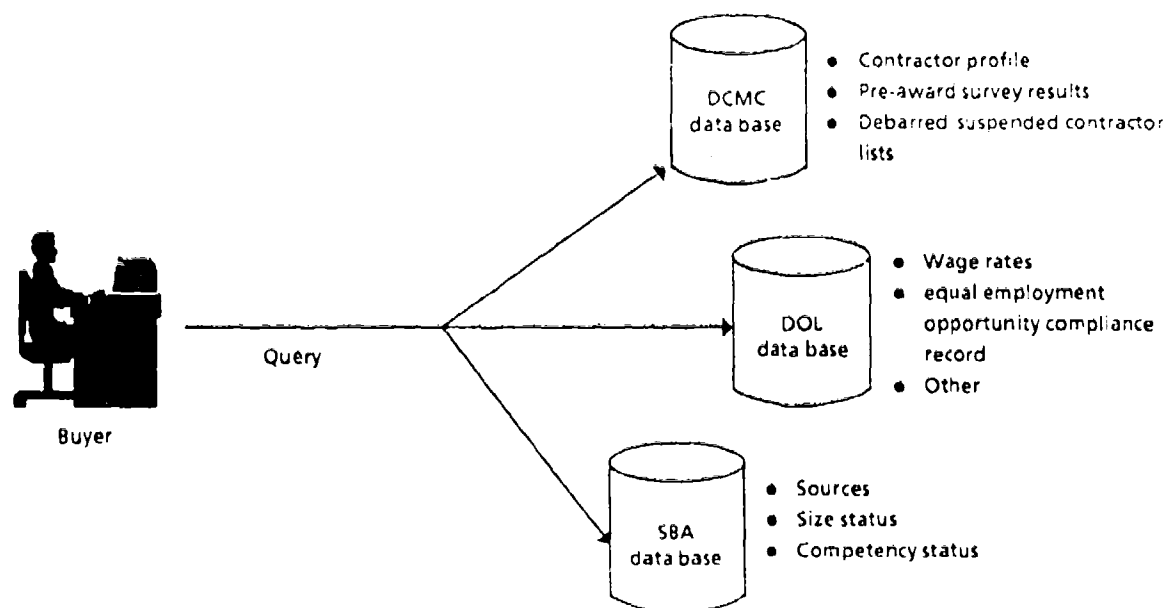


FIG. 6-1. BUYER INFORMATION NETWORK

BENEFITS OF FUTURE PROCESS

The primary benefit of the proposed process would be faster turnaround of information requests and reduced procurement administrative leadtime. For example, the DOL estimates that 80 percent of all SF 98 wage determination requests are responded to within the 60-day regulatory target timeframe (i.e., an average of 57 days). However, many buying offices need a wage determination sooner than 60 days. In an effort to reduce SF 98 receipt and processing times, DOL is considering electronic methods for receiving wage determination requests. This DOL

effort plans to electronically provide wage determination information to buying offices. If a current wage determination is available, the DOL data system could provide an immediate electronic response to an electronic SF 98 request. Also, considerable savings will be achieved by eliminating the clerical costs associated with preparing and processing form and letter requests for information.

CHAPTER 7

MAKE PROCUREMENT ACTIONS REPORTS A BYPRODUCT OF THE PROCUREMENT PROCESS

The process improvement of making procurement action reports "transparent" eliminates the periodic preparation of those reports by buyers and buying offices. Instead, report preparation will be a byproduct of the procurement action writing process. As each event is completed, necessary reporting information will be collected in an automated data base for eventual use in the reporting process. All of the information required for management and for DoD reporting will be contained in the automated procurement system's data bases.

CURRENT PROCESS

Contracting offices throughout the Federal Government are required to report individual contract actions valued at more than \$25,000 and to summarize on a monthly basis all actions valued at \$25,000 or less. Generally, procurement action report forms (DD Form 350 and DD Form 1057 for DoD) are completed, reviewed, and forwarded for entry into a central data repository. Some Military Services and commands accumulate award statistics in their various automated procurement systems and forward the required information in electronic format for updating the central repository. However, both the manual and semiautomated methods of collecting procurement action data require procurement clerks, buyers, and contracting officers to be familiar with the codes used in the reports. Also, the complexity of procurement action reports requires that buying offices and higher headquarters expend considerable resources in preparing and validating the data.

FUTURE PROCESS

Instead of gathering information about procurement actions by means of a separate reporting system, under the proposed process an automated procurement system will be programmed to record the various characteristics of an individual procurement action as a byproduct of the procurement process. No longer will procurement action codes be seen by buyers and clerks. All procurement automation

screens will be described in procurement terms, not in codes. This information will then be stored in an operational data base on the regional computer.

When the monthly procurement action reports need to be prepared, a program could be run against the regional data base to extract the required data (in the appropriate code) and forward it to higher headquarters and to staff offices. If additional information is needed at those levels, ad hoc queries could be made to provide that information.

BENEFITS OF FUTURE PROCESS

Beyond the obvious savings of the buyer and clerical labor hours needed to prepare, edit, and correct individual and monthly reports, a major benefit will be improved quality of the procurement action data reported. Since the data reported are extracted directly from procurement process data bases, there will be fewer incomplete or misinterpreted entries (as is the case using today's manual forms).

CHAPTER 8

AUTOMATE ACCESS TO PROCUREMENT INFORMATION RELEASABLE TO THE PUBLIC

The process improvement of automating access to procurement information releasable to the public minimizes the need to manually retrieve public information from procurement files in response to Freedom of Information Act (FOIA) requests made to buying offices.

CURRENT PROCESS

Buying offices receive FOIA requests from the public on many subjects. Some of those requests are for publicly releasable information about contract award recipients and the contract price. Those requests must be researched to identify the associated procurement action and then to locate its file. Once the file is retrieved, a buyer or contracting officer then locates the correct information from the award document. That information is then sent to the FOIA requester, who is charged for retrieval and reproduction costs.

Some buying offices currently receive FOIA requests from individuals who are tracking every solicitation, bid abstract, and procurement award. These individuals request every solicitation and contract for a given supply class or subject area or request the entire procurement history for the solicited item. The Government workload needed to satisfy these requests is burdensome and detracts from the primary procurement mission.

FUTURE PROCESS

With automated procurement systems available that can record solicitation, offer, and award information, a dedicated FOIA file will be established where all the publicly releasable information will be stored. Information that is competition-sensitive or proprietary will not be written to the FOIA file. The cost of establishing and maintaining that FOIA data base will be charged to the FOIA requesters through on-line user fees via a 1-900 telephone number. This data base will then be accessible by anyone who possesses a PC and a modem. Query capability will be

granted to FOIA requesters so that they can easily retrieve information. Menu-driven query screens with preformatted queries will be needed.

BENEFITS OF FUTURE PROCESS

Making contract information available to the public through on-line query access to nonsensitive files will reduce the clerical time needed to process FOIA requests and research procurement files. Beyond achievement of a reduced workload for FOIA clerks and reduced distraction of buyers and contracting officers, the establishment of an FOIA data base of solicitation and award information will increase the visibility of market prices, increase competition, and possibly reduce prices.

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